K 1941

File No. O. Trusts/4

Legal Department

A **BRANCH**

Subject:— P & E

Opinions Under the

Indian Trusts Act, 1882.

File No. O. Trusts/41

Gen. 194 e.

192—A

C O N T E N T S.

Legal Department File No. O.Trusts/1941.

Sr.No.	R.I.No./O.No.	Subject.	Pages.
		Opinions under the Indian Trusts Act,1882.	
1	1900 / 4-3-41	Sec. 20(d) Question as to which words the words "in any Presidency-Town" qualify.	1-2
2	2442 / 18-3-41	Question whether by letting one part of the building the trustees have committed a breach of any of the conditions of the trust deed dated 17-9-1888.	3-6
3	2453 / 3-11-41	Sec. 37 of the Bombay Cooperative Societies Act, 1925.- Question whether it would be lawful for the Ismailia Cooperative Bank Ltd. to invest its funds in the debentures issued by the Panvel Municipality.	7-8

RHB.
10.7.

PHS 26/7

NKS 26/7

Office of the R.LAA.

The words "in any Presidency-town" in section 20(d) of the Indian Trusts Act, 1882 also qualify the words "by or on behalf of any municipal body" therein and consequently an investment in debentures and securities issued byor on behalf of any municipal body outside a Presidencytown would not be permissible under section 20(d) of the Act. (See General Department Circular No. 216/33, dated the 10th February 1934 based upon the Advocate General's opinion No. 18, dated the 5th April 1933).

Sd/-
3/3
Rem embrancer of Legal Affairs.

U.R.to R.D.,No.1900, dated the 4th March 1941.

RHB.
10.7.

R.I. No. 1602/14-2-41.

Submitted.

Please see the letter from the D.P.I. at pp. 1-5 and para. 3 of the E.D. office note at p. 12 ante. In the year 1888 a building grant of Rs. 4,782/8/- was paid to the trustees of the H/B. Maganbhai Karamchand Girls' School on the conditions specified in the deed dated 17-4-1888 at slip "P" in E.D. Volume No. 15 of 1893. The D.I.P. now reports that the school continued to function as a primaryschool till the year 1929, when it was converted into an Anglo-Vernacular School. Standards I to IV were discontinued and taken over bythe Ahmedabad Municipalitywhich conducted the primary education classes. The ground floor of the School building was rented bythe Trustees to the Municipality. Subsequentlyon the Municipality vacating the premises in 1930, they were let out for a furniture shop. The question for the consideration of the R.L.A. is whether by letting out part of the building the Trustees have committed a breach of any of the conditions of the trust deed dated 17-4-1888.

RHB.
10.7.

Office of the R.L.A.

Under the terms of the trust deed the School building vests in Government as a trustee with an obligation that Government has to allow the use thereof as and for the purposes of a public school (cf.R.L.A's opinion No.6451, dated 16-7-1940). The lease of a part of the school building on rent by the school authorities would be an improper use of the trust property. Consequently it would be competent for Government to stop such improper use byprohibiting the school authorities from leasing any part of the building. If any part of the building is in fact not required for purposes of the school, it is for Government as trustee to decide how it should be used.

Id/- P.N.M
17/3

Remembrancer of Legal Affairs.

U.R.to P.D.,No.2442, dated the 18th March 1941.

RHB.
10.7.

Office of the R.I.A.

The debentures issued by the Panvel Municipality are not guaranteed by Government within the meaning of the proviso to clause (a) of section 20 of the Indian Trusts Act, 1882 (Cf. R.L.A.'s opinion No.6621 dated 28th July 1941). For reasons stated in R.L.A's opinion No.1900 dated 4th March 1941, the debentures do not also fall under clause (d) of section 20 of the Act. Consequently it would not be lawful for the Ismailia Cooperative Bank Ltd. under section 37 of the Bombay Cooperative Societies Act, 1925, to invest its funds in the debentures issued by the Panvel Municipality. Mr. Rahimutulla has advanced no grounds in his letter at page 1 ante which would require reconsideration of the view taken in the R.L.A.'s opinion dated 4th March 1941 and I see no reason to modify the same.

Sd/- P.N.H. 31/10
Remembrancer of Legal Affairs.

U.R. to R.D. No.9453 dated the 3rd November 1941.

RHB.
~~xxfx~~
10.7.